



**CREDIBLE. INDEPENDENT.
IN THE PUBLIC INTEREST.**

The Honorable Mike Nofs
State of Michigan, House of Representatives
N0996 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514

June 20, 2005

Dear Representative Nofs:

I am the executive director of the national Pipeline Safety Trust, a non-profit organization whose mission is to work independently to ensure pipeline safety throughout the United States.

For some time now we have been following with great interest the situation in Michigan between the Wolverine Pipe Line Company and the City of Lansing. I am writing to you now because of the recent passage of Senate Bill 522, which would in some cases remove the ability of a local community to protect their citizens, water supplies, and environment from pipeline hazards. While many state and local governments around the country are working together to ensure greater local control over pipeline safety, this bill weakens local control and seems to move in the opposite direction. We are concerned about the precedent that such a bill may set, and encourage you not to rush such a bill to passage without fully considering the impacts that this bill may have on pipeline safety.

According to the media this bill has been spurred on as a way to end the apparent deadlock between Wolverine Pipe Line Company and the City of Lansing. Passing sweeping legislation to solve a single pipeline siting case does not seem to be in the public's best interest. Without delving into the specifics of this particular siting battle, we would like you to consider the following before such a bill is passed.

- It should be recognized that the siting decisions for hazardous liquid pipelines in the U.S., falls to local and state governments for a variety of important reasons. The federal Office of Pipeline Safety (OPS) does not have jurisdiction for such critical siting decisions whose consequences are ultimately borne by the local governments. The Transportation Research Board of the National Academy of Sciences recently published a study entitled Transmission Pipelines and Land Use – A Risk Based Approach (<http://trb.org/publications/sr/sr281.pdf>) which recommends the greater use of local government's zoning and land use authority to increase pipeline safety in developed and developing areas. Senate Bill 522 removes such local authority just as the Office of Pipeline Safety, Congress, and the National Academy of Science has come to recognize the importance of such local control for ensuring pipeline safety.
- The Office of Pipeline Safety has come under much criticism over the past five years for its lack of prudent pipeline safety regulations and enforcement by the Government Accounting Office (GAO), The Department of Transportation's Inspector General, the National

Transportation Safety Board (NTSB), and Michigan's Senior U.S. Congressman John Dingell just to name a few. Former NTSB Chairman James Hall summed it up best in 1999 when he stated "There is nowhere today the sense that the Office of Pipeline Safety (OPS) is in charge... or that its regulations, its inspections, its assets, its staffing, and its spirit, are adequate to the task." This is the same Office of Pipeline Safety that has sole authority for inspection and enforcement of liquid pipelines in the State of Michigan. In OPS's Midwest Region, which includes Michigan and 11 other states, OPS only has 11 engineers/inspectors to oversee the 792,451 miles of pipeline in that region. OPS has got better in the past few years, but that is still a huge job for a small staff. Many states have decided that for their own protection to enter into a variety of agreements with OPS to allow state inspectors to help augment OPS's inspection staff. In Michigan this has been done with regard to natural gas pipelines, but Michigan has not chosen to be involved at all with liquid pipelines like the one proposed for Lansing. At a minimum, if you find it necessary to remove local say in what pipelines run through communities, the State of Michigan's Public Service Commission should be directed to enter into agreements with the federal Department of Transportation to help oversee hazardous liquid pipelines in Michigan, and the legislature should provide the necessary funding.

- The Wolverine Pipe Line Company has promised to build the Spartan Project with protections over and above federal pipeline safety standards. This is truly a good thing, but considering the criticism those standards have come under is this really very reassuring? How would such promises be enforced now and in the future since the State of Michigan has no authority over the construction, regulation, and inspection of liquid pipelines, and the federal government preempts states from requiring standards stricter than federal law? Some local governments have been successful in building additional protections into franchise agreements with pipeline companies. These franchises can provide for independent oversight of the agreed upon pipeline enhancements. This bill would undermine that ability, and seems to put no other such option into place.
- What expertise has the State of Michigan employed to determine whether the additional protections that Wolverine promises to provide are the correct protections for this section of liquid pipeline? Has a specific study been done? Does the Michigan Public Service Commission employ liquid pipeline experts even though they do not inspect or regulate such pipelines?
- What legal guarantee does the State of Michigan have that Wolverine Pipe Line Company will remove or permanently mothball their existing pipeline through East Lansing and Meridian Township? Without such a legal guarantee Wolverine could continue to use that pipeline, or restart it in the future, thus endangering people along two corridors instead of just one.

Senate Bill 533 would further eliminate the ability of communities throughout Michigan of having important input into critical issues seriously affecting their citizens while placing unwarranted burden on these governments. For these reasons we urge you to proceed slowly and cautiously before rushing into and passing such legislation.

The independent non-profit Pipeline Safety Trust was started with money provided by the U.S. Justice Department as part of the settlement of criminal charges stemming from the 1999 Olympic Pipe Line Co. explosion in Bellingham Washington. In that explosion a quarter million gallons of gasoline leaked from a pipeline, was ignited, and killed three youngsters playing in a

park nearly a half-mile from the leak. From 1999 until September of last year there have been over 1550 accidents involving liquid transmission pipelines. These accidents caused nearly \$407,000,000 in property damages, and dumped over 25,000,000 gallons of fuel into the environment. Less than 25% of this fuel was ever recovered. These numbers of course do not include last December's liquid pipeline tragedy in Walnut Creek California where 5 people were killed when a backhoe operator installing a waterline in a public right-of-way along a road struck the pipeline. The road remained closed a week after the explosion. The numbers also do not include the November pipeline rupture along Interstate 15 in California that created a geyser of gasoline for hours, or the January dumping of 262,000 gallons of oil from a pipeline into the Kentucky River, or the February rupture and explosion of a pipeline in Pennsylvania that caused evacuation along a road while the pipeline company tried for 3 days to extinguish the pipeline fire.

Pipelines are relatively safe, but when something goes wrong it can have disastrous effects on public safety and the environment. We urge you and your colleagues in the House to use your influence to facilitate a negotiated conclusion to this particular pipeline routing standoff, instead of passing legislation that may have negative long-term consequences on the safety of Michigan citizens.

Please feel free to contact us if we can be of any assistance.

Sincerely,



Carl Weimer
Executive Director